[Deputy Chairman] [7th May 1962

'That this House concurs with the Assembly in setting up a Joint Select Committee of both the Houses consisting of 21 Members (14 Members of the Assembly and seven Members of the Council) and the mover of the Bill, to consider the Madras Leaseholds (Abolition and Conversion into Ryotwari) Bill, 1962 (L.A. Bill No. 4 of 1962) and that the following Members of this House be selected to serve on such a Joint Select Committee—

Sri K. Balasubramanya Ayyar.
Sri K. Anbazhagan.
Sri S. Jayarama Reddiar.
Sri J. Ponnuswamy Villavarayar.
Sri T. V. Devaraja Mudaliar.
Dr. P. V. Rajamannar.
Sri K. Rajaram Naidu.'

The motions were put and carried.

(4) THE MADRAS BUILDINGS (LEASE AND RENT CONTROL) AMENDMENT BILL, 1962 (L.A. BILL NO. 5 OF 1962).

* THE HON. SRIMATHI JOTHI VENCATACHELLUM : Sir I move—

'That the Madras Buildings (Lease and Rent Control) Amendment Bill*, 1962 (L.A. Bill No. 5, of 1962), as passed by the Assembly, be taken into consideration.'

Sir, section 30 of the Madras Buildings (Lease and Rent Control) Act, 1960 (Madras Act 18 of 1960), provides for exemption of the following categories of buildings—

(i) buildings, the construction of which has been completed and notified to the local authorities concerned after the date of the commencement of the Act, viz., 30th September 1960;

(ii) residential buildings, the rental value of which, as entered in the property-tax assessment book of the municipal council, district board, etc., exceeds two hundred and fifty rupees per mensem; and

(iii) non-residential buildings, the rental value of which, as entered in the property-tax assessment book of the municipal council, district board, etc., exceeds four hundred rupees per mensem.

This new section was introduced with a view to pave the way for gradual decontrol of the restrictions imposed on the letting of residential and non-residental buildings under the new Act. In actual working of the provisions, it was found that tenants occupying portions of houses or flats have suffered on account of the provisions in clauses (ii) and (iii) of the said section. It was brought to the notice of the Government that the landlords had been demanding exorbitant rents from the tenants and had been

* Printed as Appendix on pages 327–328.

7th May 1962] [Srimathi Jothi Vencatachellum]

threatening them with eviction, in case such demands had not been conceded. Several ejectment suits had also been filed taking advantage of clauses (ii) and (iii) of section 30 in order to get higher and exorbitant rents from the tenants. The Government examined the whole position and came to the conclusion that the hardship caused to the tenants should be removed. The Government, however, felt that as an inducement to the prospective builders of new houses, it was necessary to retain the exemption in respect of new buildings, the construction of which had been completed and notified to the local authority concerned after the commencement of the Madras Act 18 of 1960, viz., 30th September 1960, there was, however, no need for the exemptions provided in clauses (ii) and (iii) of section 30. Accordingly, it was decided to recast section 30 suitably and the Madras Buildings (Lease and Rent Control) Bill, 1961, (L.A. Bill 51 of 1961) was moved in the last session of the Assembly. As recommended by the Assembly, the Bill was referred to a select committee of the Legislative Assembly for consideration. The select committee decided that the exemptions in clauses (ii) and (iii) of section 30 of the new Act should be on the basis of the rent paid by the tenant and that the Act should not be extended to the tenants paying a monthly rent exceeding Rs. 250 in the case of a residential building or part thereof and Rs. 400 in the case of a non-residential building or part thereof. As the original Bill, as amended by the select committee, could not be passed in the last sitting of the Assembly before the general elections, the select committee suggested that an Ordinance might be promulgated to give effect to its decision. It was not, however, possible to promulgate an Ordinance.

The Government have again re-examined the entire position, and they consider that, to set matters right and to remove the hardships caused to the tenants, the exemptions provided in clauses (ii) and (iii) of section 30 should be restricted to individual flat or separate portion of a house occupied by a single tenant. At the same time, the Government also consider that as an inducement to prospective builders of new houses, it is necessary to retain the exemption in respect of new buildings, the construction of which has been completed and notified to the local authority concerned after the commencement of Madras Act 18 of 1960. With the above objects in view, section 30 of the Madras Buildings (Lease and Rent Control) Act, 1960, has been suitably recast.

Sir, this is a simple Bill. It was already referred to a joint select committee, in which hon. Members of this House also had an opportunity to express their views. I hope that the Bill will have the unanimous approval of this House.

DEPUTY CHAIRMAN : Motion moved—

" That the Madras Buildings (Lease and Rent Control) Amendment Bill, 1962 (L.A. Bill No. 5 of 1962), as passed by the Assembly, be taken into consideration "

SRI K. BALASUBRAMANYA AYYAR: Mr. Deputy Chair-

4-10 p.m. referred to a Joint Select Committee. Afterwards, there was referred to a Joint Select Committee. Afterwards, there was another Bill, whereby it was sought to remove the whole of this section 30. That was referred to a Select Committee of the Assembly alone. There, they finally came to the conclusion that the whole exemption need not be taken away because the section referred to residential buildings also. They said that the exemption given to tenants who were actually paying Rs. 250 and above need not be abolished. Some of us had no advantage of discussing that Bill. But I have no objection to the present provision. I only want the hon. Members to consider this in the light of the previous section 30. It was stated that if the records of the municipality or the Corporation showed that the rental value was fixed at Rs. 250 or above, the Act would not apply to that building. Now it has been changed. It is stated that any tenant who pays a rent of Rs. 250 will not come within the purview of the Act. I do not know why this change is made. Probably the records of the Corporation or the municipality may not fully give information about the actual rents that are paid by the tenants. I do not know whether this provision alone will prevent abuse. Anyhow, wherever records fixing the rental value are available, that would be a better basis for granting exemption. There is no point in discussing it further.

SRI M. SESHACHARIAR: Mr. Deputy Chairman, Sir, having been on the Committee at that time, I know what happened then. The hon. Member Sri Balasubramanya Ayyar also knows very well what happened at that time. The point that was sought to be made out was this. There might be a number of tenants in a house. The Godown Street was particularly mentioned then as an instance. The entire house might fetch a rent of Rs. 1,000 or more. But the point was whether each one of the tenants paid more than Rs. 250 or less than Rs. 250. If he paid more than Rs. 250, he should be exempt from the Act. That was what was intended. But suddenly a point arose that it related only to the tenant and not to the landlord. It was contended that it related to both. Therefore, a number of suits have been filed. In the circumstances, it is absolutely necessary that this Bill should be passed. Unfortunately, a slight change in the wording of the Act made a lot of mistake. It is essential now to pass this Bill.

SRI G. KRISHNAMOORTHY: Sir, nobody can have objection to sympathetic treatment being meted out by the Government to the tenants. Whether it be in the case of lands or whether it be in the case of buildings, Government seem to be prone to think that tenants always behave properly and landlords misbehave. Somehow or other, it has become the policy of the Government of late to interefere with the individual rights and create sections in society when we really want harmony. Such pieces of legislation as this—this is only an amendment and I do not stand in the way—tend to create disharmony as between the landlords

7th May 1962] [Sri G. Krishnamoorthy]

and tenants, whether it be building or land. Government do not always go back and see how things were being done some one or two decades ago. This was an emergency legislation brought in by us for the sake of rationing houses as we had rationing of rice. Did we not take courage into our hands and see that rationing of rice was abolished? Are we anyway suffering for the abolition of rice rationing? Cannot the Government have trust both in the landlord and in the tenant and cannot they trust in the virtues of these people in this land where we boast of unity and every kind of good quality? Why should the Government always think that the man who has some property will always commit mischief or will be trying to create trouble to the other man who has not got a piece of land. The rent-payer may be having thousands of rupees in cash and he may not own a house. A poor man may own a house. Where does the poor owner of that small house come in the eyes of the Government? So, where is the real solution to the problem? It is a question of demand and supply. The City has been attracting large crowds whether due to various entertainments, or perhaps hospital facilities, or eduactional institutions. How are the Government going to solve this problem? Now we pass a legislation; some tenants create some trouble. Then there are some cases and we say, 'Let us seek a remedy.' But all this is piecemeal remedy. Where is the real remedy for this? There must be more construction of houses and even now we see large storeyed flats being constructed by the Government through their Housing Board at a cost of Rs. 50 lakhs or Rs. 55 lakhs in small areas. Will they be able to render relief to the poor people who want houses? If really the Housing Board want to give relief and bring about the repeal of this Act, should they not construct houses in large areas and create Greater Madras? That should be the real remedy. The real solution would be the construction of more houses so that there may be more supply and even if the landlord demands a higher rent, the house may remain unoccupied. Because he demands an exorbitant rent, it should be solved only by the law of supply and demand. Bad landlords have to suffer by demanding an exorbitant rent and there may be no occupants. If there are more houses, that can be done. The Government find themselves in a difficult position because they find a real inlet of people into the City.

THE HON. SRI R. VENKATARAMAN : May I ask whether the salaries and allowances of teachers may be settled by demand and supply?

SRI G. KRISHNAMOORTHY : Certainly, Sir, that is what we say. We say that we have been doing work and we demand. We are supplying to the intellect of the pupils and we are demanding our rights. That is what I say. Government find themselves in a difficult position.

DEPUTY CHAIRMAN : The hon. Member is not speaking on the merits of the Amendment Bill.

SRI G. KRISHNAMOORTHY : I suggest that the question of fundamental relief by repeal of this Act instead of bringing in piecemeal amendments now and then should be considered by the Government and a long-range programme must be evolved besides the programme that they have already in hand.

4-20 p.m. * SRI T. P. SRINIVASAVARADAN : Mr. Deputy Chairman, I heartily welcome this measure for more reasons than one. It has not come too soon. Even at the time when we considered the Rent Control Bill, some wanted that an upper limit should be fixed and others said that there should be no upper limit and as a compromise, we decided that buildings fetching a rent of Rs. 250 and above should be exempted and non-residential buildings fetching a rent of Rs. 400 and above should be exempted. We thought that this would work smoothly and that the landlords should be considerate. It has been found in the last six or seven months that there are still a good number of unscrupulous landlords. They have taken advantage of the loopholes in the Act and they have raised the rents exorbitantly. I should like to point out that this measure is not enough and that something more must be done. Sind refugees were the first to introduce the pugree system. It was unknown in the Madras State. The system is this. An advance of Rs. 1,000 or Rs. 2,000 is received and it is once and for all written off. It cannot be claimed back. Now what is being done is this. Some of these unscrupulous landlords take three, five or six months' rent in advance. I use the word ' unscrupulous ' deliberately. I can give facts and figures. After four or five months they create a situation in which the tenant finds it difficult to continue. He is asked to quit. He has been paying regularly the rent. The advance is not repaid. If he wants to go to a Court of Law, there is no receipt. Of course, human beings trust one another. I do admit it. But, unfortunately, the infection has spread that somehow or other the tenants must be fleeced. Of course, my hon. Friend suggested that more buildings should be constructed. It cannot be done in a day. It will take years. It does not necessarily mean that till then the landlords should extort money as much as possible from the tenants. Why has the situation arisen? Certainly, the tenants would not have approached the Government to have such a Bill, but the landlords are unscrupulous. I am again and again using that expression because they do not carry out even ordinary repairs, though there is provision in the Act for this purpose. I am living in a house for the past three years. The house owner has not carired out any repair. I have been doing it myself. A number of my friends asked me, ' Why don't you raise it on the floor of the House? ' I can raise it on the floor of the House, but if bad people are there, nothing can be done. I welcome this measure. There must be stricter measures also. The best thing will be for the tenants to pay the rent in the treasury and for the landlord to take the money from the treasury. The landlord gives a receipt for Rs. 30 but actually collects Rs. 50. All this will then end. Such people may form only 10 per cent, but even this 10 per cent

7th May 1962] [Sri T. P. Srinivasavaradam]

spoil other people. Then, if the landlord happens to live in the house, woe unto the tenants. They do not get tap water. They do not get any amenities. Lights are put off at 9 or 10 o'clock in the night. They collect lighting charges. For every light they collect Rs. 2 and in some cases Rs. 3. They don't allow you to have a sub-meter. So, this Bill is absolutely essential. Otherwise, I am quite sure that 99 per cent of the N.G.Os. would be put to immense suffering. I know most of these landlords borrow money, build houses and then let them out at a higher rent. Last time I suggested one thing. The Hon. the Leader of the House was hearing me. In England no one is allowed to construct more than two houses. If he has money, he is asked to give it as loan to the Corporation. The Corporation constructs the building and lets it out at a fair rent. As a matter of fact, here a ground fetches Rs. 10,000. From Rs. 7,000 it has risen to Rs. 10,000. What was Rs. 2,000 some four years ago has now risen to Rs. 10,000. There must be a restriction on this also. There should be a limit to possession of private property. (Interruption). Though I happen to be in the Opposition, it does not necessarily mean that I should always oppose even good measures. This measure will benefit a large number of people. Take a census of how many people have got houses in the City of Madras, and how many of the houses are occupied by tenants. The tenants are greater in number than the landlords Should we not see that they live happily and that they pay only fair rent? I welcome this measure. I appeal to the Hon. Minister who did so much when she was in charge of Prohibition to go in cognite and find out how rents are charged and receipts are issued. Then she will understand the hardship of some of these people. I do not say all landlords are bad. Some landlords are good but they are a minority. I support this measure.

THE HON. SRIMATHI JOTHI VENCATACHELLUM: Mr. Deputy Chairman, Sir, I shall answer the point raised by the hon. the Deputy Leader of the Opposition. With regard to the rental value, I feel it is not possible to find out the rental value in the case of portions and it is considered not also possible to get at any receipt. The amendment is necessitated due to the lacuna in section 30 of the Act. There are already a hundred cases for eviction pending. So, I feel it is necessary that control should continue. The exemption given for the new buildings is intended to encourage people to put up new buildings without the least feeling that the Govrenment will take over them.

I thank the hon. Member Sri Srinivasavaradan for welcoming this measure. I request the House to pass the motion.

DEPUTY CHAIRMAN: The question is—

"That the Madras Buildings (Lease and Rent Control) Amendment Bill, 1962 (L.A. Bill No. 5 of 1962), as passed by the Assembly, be taken into consideration."

The motion was put and carried and the Bill was taken into consideration.

Clauses 2 and 3 were put and carried.

Clause 1 and the Preamble were put and carried.

THE HON. SRIMATHI JOTHI VENKATACHELLUM: Sir, I move—

"That the Madras Buildings (Lease and Rent Control) Amendment Bill, 1962 (L.A. Bill No. 5 of 1962), as passed by the Assembly, be passed."

DEPUTY CHAIRMAN: The question is—

"That the Madras Buildings (Lease and Rent Control) Amendment Bill, 1962 (L.A. Bill No. 5 of 1962), as passed by the Assembly, be passed."

The motion was put and carried and the Bill was passed.

DEPUTY CHAIRMAN: The House will now adjourn and meet again at 3 p.m. on Saturday, the 30th June 1962.

The House then adjourned.

V—PAPERS LAID ON THE TABLE OF THE HOUSE.

* 84. *Notification issued with G.O. Ms. No. 748, Home, dated 20th February* 1962, *regarding amendment to Rule* 38 *of the Rules under the Madras Borstal Schools Act,* 1925.

* 85. *Notification issued with G.O. No.* 4065, *Revenue, dated 26th September* 1961, *regarding issue of the "Submission of Budgets, Deposits, Accounts, Returns or other Information Rules".*

* 86. *Notification issued with G.O. Ms.* 644, *Revenue, dated 10th February* 1962, *appointing the date of publication of this notification in the* Fort St. George Gazette, *namely,* 28th *February* 1962, *as the date on which the provisions of the Madras Public Premises (Eviction of Unauthorised Occupants) Act.* 1960 *shall come into force in all townships in the State of Madras and in the area within a distance of five miles from the limits of the said townships.*

† Bill passed by the Assembly and received therefrom in the Council.—*The Madras Buildings (Lease and Rent Control) Amendment Bill,* 1962 (*L.A. Bill No.* 5 *of* 1962).

---

* Laid on the table of the House on 5th May 1962.

† Sent to all M.L.Cs. by special message s on 4th May 1962.